

1 Amend 2 Cal. Code of Regulations section 18616 as follows:

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3 **18616. Reports by Lobbyist Employers and Persons Spending \$5,000 or More to**
4 **Influence Legislative or Administrative Action**

5
6 (a) Payments to be Reported in General. Persons filing periodic reports under
7 Government Code Section 86116 shall report payments in the following categories:

8 (1) Payments to lobbying firms.

9 (2) Payments to lobbyists.

10 (3) Activity expenses.

11 (4) [Except as provided in Government Code section 86116(h)(2), or]¹ other
12 payments to influence legislative or administrative action, specifically, payments for or in
13 connection with:

14 (A) Support or assistance of lobbyists;

15 (B) Direct communication with a legislative, agency, or elective state official for
16 the primary purpose of influencing legislative or administrative action; and

17 (C) Soliciting or urging persons other than the filer or the filer's employees to
18 enter into direct communication with a legislative, agency, or elective state official for
19 the primary purpose of influencing legislative or administrative action.

20 (5) Contributions to elected state officers, state candidates, and committees
21 controlled by or primarily formed to support those officers or candidates.

22 (b) Payments to Lobbying Firms. Lobbyist employers shall disclose on their
23 periodic reports the total amount of payments, including reimbursement for expenses,
24 made to each lobbying firm during the period, and the name and address of the lobbying
25 firm which received the payments. If the payment to the lobbying firm was made through

¹ Bracketed language to be included if Option 2 is adopted.

1 another person, the lobbyist employer shall report the name and address of both the payee
2 and the lobbying firm. The lobbyist employer shall indicate on the report if the payment
3 was made for services provided in a previous calendar quarter. To the extent that
4 payments to a lobbying firm are only partially in connection with lobbying activities, the
5 lobbyist employer shall report only that portion which was made for lobbying activities.

6 (c) Payments to Lobbyists. Lobbyist employers shall disclose on their periodic
7 reports the total amount of all direct and indirect payments, such as salaries and
8 reimbursement of expenses, made to lobbyists during the filing period in consideration
9 for or in connection with their activities as lobbyists. A lobbyist's salary includes gross
10 wages paid plus any benefits which are in lieu of wages such as the granting of stock
11 options or the purchase of annuities. It does not include, however, routine fringe benefits,
12 such as the employer's contribution to health plans, retirement plans, etc., which are made
13 on behalf of all employees nor does it include the payment of the employer's payroll
14 taxes. To the extent payments made to a lobbyist are only partially in connection with his
15 or her activities as a lobbyist, a filer may apportion the payments based on the percentage
16 of the lobbyist's compensated time which is spent influencing or attempting to influence
17 legislative or administrative action.

18 (d) Activity Expenses. All persons filing reports under Government Code Section
19 86116 shall disclose each activity expense made or incurred during the period, regardless
20 of whether it is paid for during the period. An activity expense previously reported as
21 incurred but not paid need not be reported again when actual payment is made. When
22 reporting activity expenses, the filer shall show the full name and address of the payee,
23 the total amount of the expense, the amount attributable to each elected state officer,

1 legislative official, agency official, state candidate or member of the immediate family of
2 one of those persons who is the beneficiary of an activity expense, together with a
3 description of the benefit and each official's full name, title and agency. The filer shall
4 also report the total of all activity expenses incurred during the period.

5 (e) Contributions.

6 (1) Except as provided in paragraph (2), all persons filing periodic reports under
7 Government Code Section 86116 shall disclose all monetary and non-monetary
8 contributions totaling \$100 or more made by the filer to state candidates, elected state
9 officers, and committees controlled by or primarily formed to support those officers or
10 candidates. For each reportable contribution, the filer shall disclose the date the
11 contribution was made, the candidate, officer, or committee receiving the contribution,
12 and the amount of the contribution.

13 (2) Notwithstanding paragraph (1), if a filer has made contributions totaling \$ 100
14 or more to an elected state officer, state candidate, or a committee controlled by or
15 primarily formed to support an elected state officer or state candidate, and the filer or a
16 committee sponsored by the filer has previously reported those contributions in a
17 campaign statement pursuant to Chapter 4 of the Political Reform Act which has been
18 filed with the Secretary of State, the filer may disclose only the name and identification
19 number of its committee on its periodic report in lieu of the information required by
20 paragraph (1) with respect to those contributions.

21 (f) Other Payments to Influence Legislative or Administrative Action. All persons
22 who file periodic reports under Government Code Section 86116 shall report the total of

1 all other payments to influence legislative or administrative action made by the filer
2 during the reporting period. The total amount reported shall include the following:

3 (1) Compensation of Employees Other Than Lobbyists. This shall include a
4 proportionate share of the compensation paid to employees other than lobbyists who are
5 engaged for 10 percent or more of their compensated time in a calendar month in or in
6 connection with the activities described in subdivision (a)(4) of this regulation. Such
7 employees include those providing research services and those preparing materials to be
8 used by a lobbyist or to be used in direct communication or in soliciting or urging others
9 to engage in direct communication for the primary purpose of influencing legislative or
10 administrative action. Compensation includes gross wages paid plus any benefits which
11 are in lieu of wages such as the granting of stock options or the purchase of annuities. It
12 does not include, however, routine fringe benefits, such as the employer's contribution to
13 health plans, retirement plans, etc., which are made on behalf of all employees nor does it
14 include the payment of the employer's payroll taxes.

15 (2) Payments Other Than Compensation. This shall include all of the following:

16 (A) Payments made by the filer for expenses incurred by a lobbyist in connection
17 with his or her activities as a lobbyist. All such expenses paid directly by the filer shall be
18 reported as "other payments to influence legislative or administrative action," regardless
19 of the nature of the expense.

20 (B) Payment by the filer of expenses incurred by the filer for goods or services
21 used by a lobbyist or used to support or assist a lobbyist in connection with his or her
22 activities as a lobbyist.

1 (C) Payments of any other expenses which would not have been incurred but for
2 the filer's activities to influence or attempt to influence legislative or administrative
3 action, i.e., those activities described in subdivision (a)(4) of this regulation.

4 (g) Exceptions.

5 (1) Notwithstanding subdivision (f) of this regulation, a filer need not report
6 compensation or other payments for services which are solely secretarial, clerical, or
7 manual or are limited solely to the compilation of data and statistics.

8 (2) Except for payments to lobbyists and the compensation of employees other
9 than lobbyists which must be reported under subdivision (f)(1) of this regulation, a filer
10 need not report any regular, ongoing business overhead which would continue to be
11 incurred in substantially similar amounts regardless of the filer's activities to influence
12 legislative or administrative action.

13 (3) A filer does not have to report any part of the costs of producing a regularly
14 published newsletter or periodical whose circulation is limited to an organization's
15 members, employees, shareholders, other affiliated individuals and those who request or
16 purchase the publication. This exception applies only to those costs regularly incurred in
17 publishing and distributing the newsletter or periodical. If additional costs are incurred
18 because the newsletter or periodical is issued on other than its regular schedule, expanded
19 in circulation, or altered in style, size, or format for the primary purpose of influencing or
20 attempting to influence legislative or administrative action, such additional costs are
21 reportable under subdivision (f)(2)(C) of this regulation.

22 (4) Except as provided in Government Code Section 86116.5, which is applicable
23 to all state and local agencies that file reports pursuant to Government Code Sections

1 86115 and 86116, dues or similar payments made by any person for membership in a
2 bona fide association, including any federation, confederation, or trade, labor, or
3 membership organization, some portion of which is used to influence legislative or
4 administrative action, are not payments to influence legislative or administrative action.

5 **[Option 1:**

6 (5) Reduced Reporting. In lieu of reporting expenses in accordance with
7 subdivision (f)(1) of this regulation, a filer that makes payments to influence a
8 ratemaking or quasi-legislative proceeding, as defined in Government Code section
9 82002(b) or (c), before the California Public Utilities Commission shall report, on a
10 separate schedule furnished by the Commission, ~~any expenses incurred in connection~~
11 ~~with administrative testimony as defined in California Code of Regulations, Title 2,~~
12 ~~Section 18239(d)(1)(B).~~ The filer shall report the total of any payments made for the
13 following:

14 (A) Compensation paid to all attorneys for time spent appearing as counsel and
15 preparing to appear as counsel in those proceedings, excluding time spent preparing
16 written testimony for those proceedings ;

17 (B) Compensation paid to all witnesses for time spent testifying and preparing to
18 testify in those proceedings, excluding time spent preparing written testimony for those
19 proceedings ; and,

20 (C) For purposes of ~~this~~ subdivision (g)(5), “compensation” shall have the same
21 meaning as in subdivision (f)(1) of this regulation.]

22 **[Option 2:**

1 ~~(5) Reduced Reporting. In lieu of reporting expenses in accordance with~~
2 ~~subdivision (f) of this regulation, a filer shall report on a separate schedule furnished by~~
3 ~~the Commission, any expenses incurred in connection with administrative testimony as~~
4 ~~defined in California Code of Regulations, Title 2, Section 18239(d)(1)(B). The filer~~
5 ~~shall report the total of the following:~~

6 ~~(A) Compensation paid to all attorneys for time spent appearing as counsel in~~
7 ~~these proceedings;~~

8 ~~(B) Compensation paid to all witnesses for time Spent testifying in these~~
9 ~~proceedings; and,~~

10 ~~(C) For purposes of this subdivision, shall have the same as in subdivision (f)(1)~~
11 ~~of this regulation.]~~

12 (h) Optional Reporting. In addition to reporting total payments for any period, a
13 filer may apportion payments reported on the basis of whether they were made to
14 influence legislative action or to influence administrative action.

15 (i) Applicability of Government Code Section 86115(b). For the purpose of
16 determining whether Government Code Section 86115(b) is applicable to any person, all
17 payments made during any calendar quarter which are required to be reported by this
18 regulation shall be combined and a report shall be filed if the total is \$5,000 or more. If,
19 however, the only reportable payments made are activity expenses within the meaning of
20 Government Code Section 86111 (a), no report shall be required.

21 (j) Reporting Specific Lobbying Interests.

22 (1) The filer shall report each bill or administrative action with regard to which a
23 partner, owner, officer or employee of the filer, or a lobbying firm with which the filer

1 has contracted, either has engaged in direct communication, or has been directed by the
2 filer to engage in direct communication, with a qualified official for the purpose of
3 influencing legislative or administrative action on behalf of the filer during the reporting
4 period, either by reference to its legislative or administrative identification number or by
5 brief textual description.

6 (2) A filer shall not report bills or administrative actions which have "died" prior
7 to the reporting period, shall not report bills or administrative actions which the filer or its
8 agent is only "watching" or "monitoring," and shall not report bills or administrative
9 actions which the filer or its agent has not attempted to influence during the reporting
10 period.

11 (3) The definitions contained in California Code of Regulations, Title 2, Section
12 18239 of the terms "direct communication," "qualifying official," and "influence
13 legislative or administrative action" shall apply to this subdivision.

14
15 Note: Authority: Section 83112, Gov. Code
16 Reference: Sections 86115, 86116, and 86116.5 Gov. Code